

# **NORTH MONROE SUBDIVISION SEWERAGE DISTRICT**

**Monroe, Louisiana**

**General Purpose Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 2004**

**PREPARED BY:**

**JIMMIE L. SELF, CPA**  
***A Professional Accounting Corporation***  
**2908 Cameron Street, Suite C**  
**MONROE, LOUISIANA 71201**  
**Phone 318/323-4656 • FAX 318/388-0724**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05

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NORTH MONROE SUBDIVISION  
SEWERAGE DISTRICT  
Monroe, LA

General Purpose Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended December 31, 2004

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JIMMIE SELF, CPA  
*A Professional Accounting Corporation*  
2908 Cameron Street, Suite C  
Monroe, Louisiana 71201  
Phone (318) 323-4656 • Fax (318) 388-0724

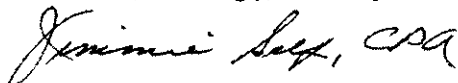
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## ACCOUNTANT'S COMPILATION REPORT

North Monroe Subdivision Sewerage District  
Mr. Leon Sivils, Secretary-Treasurer  
P. O. Box 7237  
Monroe, LA 71211

I have compiled the accompanying general purpose financial statements as listed in the foregoing Table of Contents of the North Monroe Subdivision Sewerage District, a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2004, in accordance with "Statements on Standards for Accounting and Review Services" issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



JIMMIE SELF, CPA  
Monroe, Louisiana  
May 31, 2005

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OUACHITA PARISH POLICE JURY  
MONROE, LA  
BALANCE SHEET - ENTERPRISE FUND  
DECEMBER 31, 2004**

**STATEMENT A**

	<u>2004</u>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash	\$ 482
Accounts Receivable	14,553
<b>Total Current Assets</b>	<u>15,035</u>
<b>Restricted Assets:</b>	
Cash	17,899
<b>Total Restricted Assets</b>	<u>17,899</u>
<b>Property, Plant and Equipment:</b>	
Property, Plant and Equipment	1,023,155
Less: Accumulated Depreciation	<u>(224,368)</u>
<b>Net property, plant, and equipment</b>	<u>798,787</u>
 <b>TOTAL ASSETS:</b>	 <u><b>\$ 831,721</b></u>
 <b>LIABILITIES AND FUND EQUITY</b>	
<b>Liabilities:</b>	
<b>Current Liabilities Payable from Current Assets:</b>	
Accrued Interest Payable	\$ 8,456
Bonds Payable - Current	10,000
<b>Total Current Liabilities Payable from Current Assets</b>	<u>18,456</u>
<b>Long Term Liabilities</b>	
Revenue Bonds Payable	485,000
<b>Total Long Term Liabilities</b>	<u>485,000</u>
 <b>Total Liabilities:</b>	 <u><b>503,456</b></u>
 <b>Fund Equity:</b>	
Retained Earnings: Reserved for Bond Payment	52,279
Retained Earnings: Unreserved	275,986
<b>Retained Earnings: Total Fund Equity</b>	<u>328,265</u>
<b>TOTAL LIABILITIES AND FUND EQUITY:</b>	<u><b>\$ 831,721</b></u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT**

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OUACHITA PARISH POLICE JURY  
MONROE, LA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**STATEMENT B**

	<u>2004</u>
<b>OPERATING REVENUES:</b>	
<b>SERVICE INCOME</b>	<b>\$ 92,144</b>
<b>TOTAL OPERATING REVENUES:</b>	<b>92,144</b>
<b>OPERATING EXPENSES:</b>	
<b>BILLING EXPENSE</b>	<b>9,419</b>
<b>CHEMICALS</b>	<b>498</b>
<b>DEPRECIATION</b>	<b>24,282</b>
<b>INSURANCE</b>	<b>2,000</b>
<b>LABORATORY EXPENSE</b>	<b>1,394</b>
<b>LEGAL &amp; PROFESSIONAL</b>	<b>2,239</b>
<b>OFFICE EXPENSE</b>	<b>1,225</b>
<b>REPAIRS\MAINTENANCE</b>	<b>4,965</b>
<b>SUPERVISORY\ACCOUNTING</b>	<b>25,760</b>
<b>UTILITIES</b>	<b>2,186</b>
<b>BOND REG FEES</b>	<b>785</b>
<b>TOTAL OPERATING EXPENSES:</b>	<b>74,753</b>
<b>OPERATING INCOME (LOSS):</b>	<b>17,391</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
<b>INTEREST EXPENSE</b>	<b>(25,454)</b>
<b>TOTAL NONOPERATING REVENUES (EXPENSES):</b>	<b>(25,454)</b>
<b>NET INCOME (LOSS):</b>	<b>(8,063)</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR:</b>	<b>336,328</b>
<b>RETAINED EARNINGS AT END OF YEAR:</b>	<b><u>\$ 328,265</u></b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.**

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OUACHITA PARISH POLICE JURY  
MONROE, LA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2004**

**STATEMENT C**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

NET INCOME FROM OPERATING ACTIVITIES		\$ (8,063)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	24,282	
CHANGES IN ASSETS AND LIABILITIES:		
INCREASE/DECREASE IN ACCOUNTS RECEIVABLE	-	
INCREASE/DECREASE IN ACCOUNTS PAYABLE	(171)	
TOTAL ADJUSTMENTS		24,111
NET CASH PROVIDED BY OPERATING ACTIVITIES		16,048

**CASH FLOWS FROM INVESTING ACTIVITIES:**

CAPITAL EXPENDITURES	(949)	
NET CASH USED IN INVESTING ACTIVITIES		(949)

**CASH FLOWS FROM FINANCING ACTIVITIES**

PAYMENT OF LONG-TERM DEBT	(10,000)	
NET TOTAL CASH PROVIDED FROM FINANCING ACTIVITIES		(10,000)

NET INCREASE IN CASH AND CASH EQUIVALENTS		5,099
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		13,282
CASH AND CASH EQUIVALENTS AT END OF YEAR		\$ 18,381

INTEREST PAID	25,454
DEPRECIATION	24,282

**DISCLOSURE OF ACCOUNTING POLICY:**

**FOR PURPOSES OF THE STATEMENT OF CASH FLOWS, THE COMPANY CONSIDERS ALL HIGHLY LIQUID  
DEBT INSTRUMENTS PURCHASED WITH A MATURITY OF THREE MONTHS OR LESS TO BE CASH EQUIVALENTS.**

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.**



**NOTES  
TO THE  
FINANCIAL STATEMENTS**

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OF OUACHITA PARISH**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004**

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**INTRODUCTION**

The North Monroe Subdivision Sewerage District #1 was organized under provisions of Louisiana Revised Statute (LSA-RS) by the Ouachita Parish Police Jury in 1968 to provide a sewerage system for approximately 800 people. The district is operated by a board of four commissioners, appointed by the Ouachita Parish Police Jury.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying component unit financial statements of the North Monroe Subdivision Sewerage District of Ouachita Parish have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes the following:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OF OUACHITA PARISH**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004**

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3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury has the authority to perform the above three steps, the district was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**C. FUND ACCOUNTING**

The North Monroe Subdivision Sewerage District #1 of Ouachita Parish is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. The Enterprise Fund uses the following practices in recording certain revenues and expenses:

**Revenues**

Revenues consist of income from users of the sewer line in the district. Billing is done monthly, and the payments are collected and deposited. Interest income is a result of bank accounts bearing interest.

**Expenses**

Expenses are reported when the liability occurs. Major expenses are:

Supervisory	\$ 25,760
Legal and Professional	2,239

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OF OUACHITA PARISH**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004**

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Utilities	2186
TOTAL MAJOR EXPENSES	<u>\$ 30,185</u>

**E. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and other money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The district has no investments.

**G. ENCUMBRANCES**

The district does not use encumbrance accounting.

**H. RESTRICTED ASSETS**

Certain proceeds of the enterprise fund resources are set aside for specific payments and are classified on the balance sheet as restricted assets because their use is limited by applicable requirements.

Briefly, the funds and provisions relating thereto are as follows:

1. Bond Redemption Fund: Restriction for annual payment of principal and interest.

**I. FIXED ASSETS**

Fixed assets of the district are valued at historical cost and are included on the balance sheet of the fund, net of accumulated depreciation. Construction period interest is immaterial and is not capitalized. Depreciation of all exhaustible fixed assets is charged

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OF OUACHITA PARISH**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004**

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as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of periods from 5 to 40 years.

**J. COMPENSATED ABSENCES**

*The district does not have a formal leave policy.*

**K. LONG - TERM LIABILITIES**

Long-term liabilities are recognized within the enterprise fund.

**L. FUND EQUITY**

**Contributed Capital**

Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized.

**Reserves**

Reserves represent those portions of fund equity legally segregated for a specific future use.

**NOTE 2. CASH AND CASH EQUIVALENTS**

At December 31, 2004, the district has cash and cash equivalents (book balances) totaling \$ 18,381 as follows:

Demand Deposits	\$ 482
Restricted Cash	<u>17,866</u>
TOTAL	<u>\$ 18,381</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2004, the district has \$18,381 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OF OUACHITA PARISH**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004**

days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3. RECEIVABLES**

The following is a summary of receivables at December 31, 2004:

<u>Class of Receivable</u>	<u>Current Assets</u>	<u>Total</u>
Accounts Receivable	\$ 14,553	\$ 14,553

Management has determined that the amounts of the receivables that are uncollectible are immaterial; therefore, no provision for collectible receivables has been included in these financial statements.

**NOTE 4. FIXED ASSETS**

A summary of fixed assets at December 31, 2004, follows:

<b>FIXED ASSETS</b>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Property, Plant & Equipment – 12/ 31/2003	1,022,204	200,085	822,119
Additions	949	24,282	23,333
Deletions	0	0	0
Total – 12/31/2004	<u>1,023,155</u>	<u>224,368</u>	<u>798,787</u>

**NOTE 5. PENSION PLAN**

The district has no pension plan and no salaries.

**NOTE 6. LONG-TERM LIABILITIES**

The following is a summary of long-term transactions during the year:

<b>BONDS PAYABLE</b>	
Long-term liability payable at 12/31/2003	\$505,000
Less Principal Paid	(10,000)
Balance	495,000
Less current portion	(10,000)
Long-term liability payable at 12/31/2004	<u>\$485,000</u>

**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1  
OF OUACHITA PARISH**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004**

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“Sewer Revenue Bonds, Series 1999 of the North Monroe Sewer District #1 of the Parish of Ouachita, State of Louisiana,” \$522.00, dated March 1, 1999, interest rate 5.125%, payable in annual installments of various amounts, including interest, due the first day of March.

The annual requirements to amortize all long-term debt outstanding as of December 31, 1999, are as follows: Note - No principal payment was until 2001.

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2005	10,000	5.125%
2006	11,000	5.125%
2007	11,000	5.125%
2008	12,000	5.125%
2009	12,000	5.125%
2010	13,000	5.125%
2011	14,000	5.125%
2012	14,000	5.125%
2013	388,000	5.125%

**NOTE 7. OTHER POST-EMPLOYMENT BENEFITS**

None.

**NOTE 8. RELATED PARTY TRANSACTIONS**

None.

**NOTE 9. LITIGATION AND CLAIMS**

None.

**NOTE 10. SUBSEQUENT EVENTS**

None.

**NOTE 11. OTHER SUPPORT**

None.

**SUPPLEMENTAL  
INFORMATION SCHEDULES**



**NORTH MONROE SUBDIVISION SEWERAGE DISTRICT #1**  
**Monroe, Louisiana**

**Supplemental Information Schedule**  
**As of and for the year then ended December 31, 2004**

**COMPENSATION PAID TO BOARD MEMBERS**

The following schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Scott Holder – Chairman 205 Bastrop Dr Monroe, LA 71203	0.00
Leon Sivils – Secretary Treasurer 210 Pickett Lane Monroe, LA 71203	0.00
Michael Green - Commissioner 203 Holly Ridge Dr. Monroe, LA 71203	0.00
Herbert Manley - Commissioner 227 Bastrop Drive Monroe, LA 71203	0.00
Anita H. Jones - Commissioner 301 Ray Drive Monroe, LA 71203	0.00

## **LOUISIANA ATTESTATION QUESTIONNAIRE**

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the questionnaire.

**North Monroe Subdivision Sewerage District  
P. O. Box 7237  
Monroe, LA**

May 5, 2005

Jimmie Self, CPA, APAC  
2908 Cameron Street  
Monroe, LA 71201

Dear Ms. Self,

In connection with your compilation of our financial statements as of **DECEMBER 31, 2004** and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of **DECEMBER 31, 2004**.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [☒] No [ ☐ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No [ ☐ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No [ ☐ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No [ ☐ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [ ☐ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No [ ☐ ]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [☒] No [ ☐ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [ ☐ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No [☐]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u><i>For Smith</i></u>	Secretary	<u>5-16-05</u>	Date
_____	Treasurer	_____	Date
_____	President	_____	Date